

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Proposed Amendments to Chapter 12-12
Hawaii Administrative Rules
Prepaid Health Care Act

October 4, 2010

1. Section 12-12-60, Hawaii Administrative Rules, is amended to read as follows:

"§12-12-60 Health care contractors. [(a)] Health care contractors shall submit a monthly report, in a form designated by the department, showing the following information:

- (1) Name of newly enrolled or terminated employer;
- (2) State department of labor and industrial relations account number as assigned by the unemployment insurance division;
- (3) Plan [number] name;
- (4) Group number;
- (5) Effective date of coverage; and
- (6) Effective date and reason for cancellation.

[(b)] On April 15 of each year, health care contractors shall file an annual report for each employer and for each plan covering the most recently completed calendar year. This report shall be on a form prescribed by the director and shall contain the following information:

- (1) Number of covered employees employed on the twelfth day of the month for each month of the year;
- (2) Number of covered employees providing coverage for their dependents for each month of the year; and
- (3) Amount returned to the employer due to experience rating credit or dividend during the year.

(c) On April 15 of each year, the following consolidated information shall be furnished by health

care contractors for all employers covered by such contractor:

- (1) Number of claims filed by covered employees;
 - (2) Number of claims paid to covered employees;
and
 - (3) Amount of claims paid to covered employees.
- (d) If coverage is provided through an association of employers or to employers through a collectively bargained health and welfare type trust fund or similar arrangement, and it is not feasible to obtain information for each employer in the association or trust fund, the health care contractor may file a consolidated report in a form prescribed by the director.]" [Eff: 5/7/81; am]
(Auth: HRS §393-32) (Imp: HRS §393-32)

2. **Section 12-12-61**, Hawaii Administrative Rules, is repealed.

"[§12-12-61 Employers (a) On April 15 of each year, all employers providing coverage through a health care contractor shall file an annual report for each plan covering the most recently completed calendar year. This report shall be on a form prescribed by the director and shall provide the following information:

- (1) Amount of total wages paid to covered employee;
 - (2) Amount of employer contributions paid in the year; and
 - (3) Amount of covered employee contributions paid in the year, if applicable.
- (b) On April 15 of each year, employers who provide health care benefits directly to their employees shall file an annual report for each plan covering the most recently completed calendar year. This report shall be on a form prescribed by the director and shall provide the following information:
- (1) Number of covered employees employed on the twelfth day of each month;
 - (2) Amount of total wages paid to covered employees;

- (3) Amount of employer contributions paid in the year;
- (4) Amount of covered employee contributions paid in the year, if applicable; and
- (5) Amount returned to the employer due to experience rating credit or dividends, if applicable.]” [Eff: 5/7/81; R]

3. Section 12-12-63, Hawaii Administrative Rules, is amended to read as follows:

"§12-12-63 Other employer reports. (a) Status report. Every employer for whom services are performed in employment shall file a report on a form prescribed by the director to determine liability for coverage within ten days after the status report form is mailed by the department. This report shall provide information such as: name of health care contractor, plan number, group number, effective date of plan, number of employees who claim exemption and reason thereof, and employer-employee premium cost for individual and dependents coverage. The employer's health care plan shall accompany this report, if the plan has not been approved by the director.

(b) Employer shall give the department thirty days written notice prior to change in health care plan or health care contractor.

(c) Employee notification to employer.

(1) Any employer, whose employee claims exemption from the statute, shall upon request by the director, file a statement with the director, signed by the employee on a form provided by the department. The form shall be filed with the employer within ten days of employment or change in status and retained in employer's files for a minimum of two years.

(2) On December 31 of each year, each [employer] employee who signed an exemption form shall [refile] sign a statement [signed by all employees who claim exemption from the statute] re-affirming the employee's claim for exemption on a form prescribed by the

department. The employer shall retain such forms for a minimum of two years and shall file the exemption forms with the director upon request. [Eff: 5/7/81; am]
(Auth: HRS §393-32) (Imp: HRS §§393-17, 393-21)

4. Material, except source notes, to be repealed is bracketed. New material is underscored.

5. Additions to update source notes to reflect these amendments are not underscored.

6. These amendments to Title 12, Chapter 12, Hawaii Administrative Rules, relating to Prepaid Health Care, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules drafted in the Ramseyer format, pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on XXXXXX X, 2010 and filed with the Office of the Lieutenant Governor.

Director

APPROVED AS TO FORM:

Deputy Attorney General